

February 18, 2009

Proposed H.B. No. 5187

AN ACT CONCERNING AN INCREASE IN THE SALES AND USE TAX ON HOTELS AND LODGING HOUSES.

Proposed H.B. No. 5524

AN ACT AUTHORIZING MUNICIPALITIES TO IMPOSE A TAX ON HOTELS AND MOTELS

Dear Chairpersons and Members of the Planning and Development Committee

I thank-you for this opportunity in allowing me to show my support for HB 5187, HB 5524 and other similar bills that allow for alternative revenue enhancements that are geared in a direction which could possibly provide property tax relief.

As we in Connecticut know and understand all too well, our system of local municipal taxation relies on property taxes as the mainstay revenue producer to fund everyday expenses. This year there are many bills along the same theme for your consideration.

The proposal I put forth for your consideration would be for the host municipality of the hotel/motel to have the ability to levy a local option tax of 3% of which that municipality would receive anywhere from 60 - 75% of the new revenue generated and the remaining 25 - 40% could be allocated to municipalities that have no hotel/motels. The model to properly distribute funding to those non-host municipalities could be done on a per capita basis.

The local municipal tax would be levied in addition to the existing state tax as not to hamper the existing revenue stream. As a State we need to stop looking for ways of increasing taxes and fees on OUR residents and look for new and innovative ways to provide relief, and at the same time new revenue sources that will help alleviate the property tax burden.

Many States have similar systems in place, which allows relief to their existing property taxes by passing the burden to the transient who visits for a short period of time and is then gone. By allowing this type of taxation the revenue generated would allow the host municipality to offset costs associated in providing needed services for the hotel/motels such as fire, police, and public works etc and allow for other uses that relate to economic development.

The Town of Windsor Locks has over 1700 hotel/motel rooms within our borders. This proposal is not one of greed but one which allows for a fair distribution of revenue to other municipalities that otherwise wouldn't benefit from this type of proposal. The economic problems we face today are not isolated and the solutions should not either.

As a municipal leader I see the concern of our residents on an everyday basis whether at the office, the grocery store or at the local high school games. If there ever was a time for some type of property relief to be enacted by the Legislature I am sure you would agree that today is that time.

I thank you for the opportunity to submit this written testimony and respectfully request the committee to act favorably in the passage of a local option revenue policy.

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